



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Fifth District

September 12, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

INDEPENDENT REVIEW OF THE DEPARTMENT OF HEALTH SERVICES (ITEM NO. S-1, AGENDA OF SEPTEMBER 16, 2008)

On September 9, 2008, on motion by Supervisor Molina, your Board instructed the Chief Executive Officer to report back to the Board on September 16, 2008, as a set item on various options for creating an independent review entity or contractor (for example, similar to the work performed by Mr. Merrick Bobb) which or who would be tasked with investigating and making recommendations to this Board related to all aspects of the administration, operations and functions of the Department of Health Services; a status of hiring a new Director of Health Services and the creation of a Health Authority; and findings identified in the Acting Auditor-Controller's report on King-Harbor Hospital (MLK).

INDEPENDENT REVIEW

The following options have been identified relative to an independent review entity/office:

Option 1

Establish an independent monitor within the Department of Health Services (DHS) consistent with the Merrick Bobb model.

- In 1992, as a result of an extensive study, the Koltz Commission Report identified numerous programmatic and operational issues within the Sheriff's Department. In addition, the report provided recommendations to address the noted deficiencies.

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Mr. Merrick Bobb was identified as "Special Counsel" to monitor implementation of the recommendations provided in the Koltz Report.

- Various areas at DHS with a need for improvement have come to the attention of your Board. An independent entity could be identified to review these program and operational areas of concern and develop recommendations for improvement and ensure implementation of the recommendations.

Option 2

Conduct a management audit of DHS to review administration both at central headquarters and at DHS facilities.

- Engage the Auditor-Controller (A-C) to conduct an independent management audit to identify issues throughout the department.
- Identify a monitor to work independently and oversee implementation of the management audit findings.

Option 3

Establish the County Office of Inspector General (OIG) by centralizing some or all of the various independent review offices located throughout the County, including the newly created DHS entity, if established by your Board. A centrally managed County OIG would consolidate the various independent review offices into one office that would report directly to your Board.

SEARCH FOR HEALTH SERVICES DIRECTOR

This Office and the Department of Human Resources (DHR) are actively involved in the hiring of a new Director for the Department of Health Services (DHS). We have interviewed numerous search firms and are continuing with this process.

HEALTH AUTHORITY

As your Board is aware, we have in the past analyzed the creation of a health authority, among other governance models. In recognition of DHS' projected budget deficits, we decided not to pursue development of a health authority.

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MLK FINDINGS

This Office, DHS and DHR are collaborating to assess and implement the recommendations identified by the A-C. Such action is consistent with Supervisor Antonovich's motion which was also approved by your Board September 9, 2008. A separate report is being prepared by the Interim Director of Health Services to address your Board's instructions.

If you have any questions, please contact me or your staff may contact Mason Matthews at (213) 974-2395 or mmatthews@ceo.lacounty.gov.

WTF:SRH:SAS
MLM:MM:bjs

c: Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Interim Director, Department of Health Services
Director of Personnel